

MINUTE ITEM

3/1/66

26. PROPOSAL OF THE CITY OF LONG BEACH TO EXPEND TIDELAND OIL REVENUES FOR CONSTRUCTION OF THE ENTRANCE CHANNEL BRIDGE IN THE PORT OF LONG BEACH - L.B.W.O. 10,213.

After consideration of Calendar Item 7 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION DETERMINES THAT THE ADJUSTED ESTIMATED EXPENDITURES OF \$18,720,000 PROPOSED BY THE CITY OF LONG BEACH FROM ITS SHARE OF TIDELAND OIL REVENUES, AS SHOWN ON ATTACHED EXHIBIT "A" AND LISTED HEREINAbove, FOR THE CONSTRUCTION OF THE ENTRANCE CHANNEL BRIDGE, THE PURCHASE OF NECESSARY RIGHT-OF-WAY, AND THE COMPENSATION FOR AND ALTERATION OF OIL FACILITIES IS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 6, OF CHAPTER 138, STATUTES OF 1964, 1ST EXTRAORDINARY SESSION; SAID DETERMINATION IS SUBJECT TO THE CONDITION, HOWEVER, THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION.

Attachment

Calendar Item 7 (4 pages)

7.

PROPOSAL OF THE CITY OF LONG BEACH TO EXPEND TIDELAND OIL REVENUES FOR CONSTRUCTION OF THE ENTRANCE CHANNEL BRIDGE IN THE PORT OF LONG BEACH - L.B.W.O. 10,213.

On July 2, 1965, the Commission determined that the expenditure of approximately \$18,720,000 by the City of Long Beach from its share of tideland oil revenues for the construction of the Entrance Channel Bridge within the boundaries of the Harbor District is in accordance with the provisions of Section 6, of Chapter 138, Statutes of 1964, 1st Extraordinary Session, subject to the condition that the work conform in essential details to the plans and background material previously submitted. The Commission further determined that the expenditures for Oil Facilities Raising shall be subject to a finding by the Executive Officer that the retention of such wells at such cost is economically justified or, alternatively, a finding by the Executive Officer that the City has made adequate efforts to seek approval by the Unit Working Interest Owners of the abandonment of said wells, the cost of the retention of which is not economically justified. Refer to Exhibits "A", "B", "C", "D", and "E", and for locations and descriptions of the updated descriptions of the work.

Since the time of original consideration by the Commission, the City on January 6, 1966, advised that there has been an adjustment in the individual items making up the total estimated cost which remains unchanged. As shown on attached Exhibit "A" the breakdown contains new items under "Related Work", costs of which have been broken out of the contingency estimates. Also, the breakdown includes, for certain items, higher estimates than had previously been brought to the attention of the Commission. Increases in cost for Property Purchase and Retaining Wall amount to approximately ten and twenty percent respectively, increases which are considered by the Staff to be within the normal expectation for variance between study estimates and final designs. Original and anticipated costs for Oil Facility Alterations now prove to have been considerably underestimated. The Staff has reviewed the City estimates for the presently proposed oil facility work, with the finding that the costs are reasonable for the work intended.

Remuneration in the amount of \$146,450 for the loss of certain of the abandoned wells, valued for their potential as redrills rather than for their current production, is included in the price paid by the City to the Union Pacific Railroad Company for the purchase of land as right-of-way for the bridge.

The City has also advised that there was committed or expended for engineering prior to August 21, 1964, the effective date of Chapter 136, Statutes of 1964, 1st E.S., the sum of \$564,000. This amount does not appear on Exhibit "A".

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THAT THE ADJUSTED ESTIMATED EXPENDITURES OF \$18,720,000 PROPOSED BY THE CITY OF LONG BEACH FROM ITS SHARE OF TIDELAND OIL REVENUES, AS SHOWN ON ATTACHED EXHIBIT "A" AND LISTED HEREIN-ABOVE, FOR THE CONSTRUCTION OF THE ENTRANCE CHANNEL BRIDGE, THE PURCHASE OF

CALENDAR ITEM 7. (CONTD.)

NECESSARY RIGHT-OF-WAY, AND THE COMPEENSATION FOR AND ALTERATION OF OIL FACILITIES IS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 6, OF CHAPTER 138, STATUTES OF 1964, 1ST EXTRAORDINARY SESSION; SAID DETERMINATION TO BE SUBJECT TO THE CONDITION, HOWEVER, THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION.

Attachment
Exhibit "A"

EXHIBIT "A"

L.B.W.C. 10,213

CITY OF LONG BEACH, CALIFORNIA

Inter-Departmental Communication

To Leonard Patnam, City Attorney

Date January 5, 1966

Dep't Law

From Charles L. Vickers
General Manager

Subject Gerald Desmond Bridge

Dep't Harbor

Dear Sir:

Enclosed is a revised estimated cost for the Gerald Desmond Bridge. This revision is for your use in advising the State Lands Commission pursuant to the request of the City Council at their meeting of December 21, 1965. You will notice the total estimated cost remains unchanged.

<u>Description</u>	<u>Cost Estimate</u>	<u>Status</u>
Bridge Contract	\$12,743,000	Construction
Oil Facilities	2,195,000	Contract Pre- pared
Fixed Costs	\$ 319,000	
Estimated Costs	1,564,000	
Contingency (20% Est.)	312,000	
U.P. Property Purchase	1,344,000	" "
Fill - West Side	710,000	Design
Retaining Wall	195,000	"
Related Work	610,000	
Gas Line-West	100,000	Construction
Gas Line-East	60,000	"
Detour-West	20,000	Design
Detour-East	30,000	"
Site Clearing	30,000	Construction
Electrical Work-West	30,000	"
Misc. Oil-East & Terms	75,000	"
Gate 5 Signals	25,000	Design
R.R. Crossing-Mitchell	25,000	"
Drain Edison Co. Ramp	15,000	"
Water Lines-East	50,000	Construction
Water Lines-West	150,000	Design
Engineering (Inspection, Surveying, Field Coordination, etc.)	536,000	
Contingency	387,000	
Total	\$18,720,000	

EXHIBIT "A" (CONTD.)

L.B.W.O. 10,213

Agreement has now been reached between the Harbor Department and Union Pacific Railroad Company for the purchase of Union Pacific property required for the construction of the Gerald Desmond Bridge. Agreement has also now been reached between the Harbor Department through the Department of Oil Properties and the various Fault Block Working Interest Owners as to the extent of alterations, damages and relocation of oil facilities required to accommodate the bridge construction, and cost estimates for this work have been established.

The total of all foreseen bridge costs as of this date is estimated to be \$18,333,000 with a contingency of \$387,000, for a total cost of \$18,720,000. In addition to the \$18,720,000, there was committed or expended for engineering prior to August 21, 1964, the sum of \$564,000. The total estimated cost therefore, is \$19,284,000.

Very truly yours,

/s/ Charles L. Vickers

Charles L. Vickers
General Manager

Encl.